

ROCKY MOUNTAIN ECONOMY: UPDATE

February 2012 (see Economic Indicators data below)

Economic conditions in the Rocky Mountain region have improved in recent months, and compared with a year ago. Seasonally adjusted nonfarm payrolls for December 2011 were up by about 10,500 jobs, or 0.2 percent, from a month earlier, to 5.0 million jobs. Payrolls were also up by 98,600 jobs, or 2 percent, from a year ago. The fastest rates of growth occurred in North and South Dakota, where nonfarm payrolls rose by 3,800 and 4,600 jobs, or 0.9 and 1.1 percent, respectively, from the previous month. In Utah, nonfarm payrolls increased by 6,400 jobs, or 0.5 percent. Payrolls remained essentially flat in Montana and Wyoming, and declined in Colorado by 4,400 jobs, or 0.2 percent. The unemployment rate for the region in December 2011 was 5.7 percent, edging down slightly from the previous month, and declining from the 6.5-percent rate of a year ago. State unemployment rates ranged from 3.3 percent in North Dakota to 7.9 percent in Colorado, but all states in the region continue to have rates below the national average of 8.3 percent.

For the U.S., nonfarm payrolls increased by 243,000 jobs in January 2012, compared with a month earlier, and payrolls were up by 1.95 million jobs from a year ago. All of the gains occurred in the private sector, which added 257,000 jobs in January. This was partly offset by a loss of 14,000 jobs in the public sector. Within the goods-producing sectors, during the past 12 months the manufacturing sector added 235,000 jobs, and construction sector payrolls were up by 116,000 jobs. In the service-providing sectors, the education and health services sector grew by 414,000 jobs, while the professional and business services sector added 599,000 jobs. Temporary services, which is a leading indicator for employment overall, added 160,500 jobs.

Real Gross Domestic Product (GDP) rose 2.8 percent nationally in fourth quarter 2011, an improvement from the 1.8-percent growth rate of the previous quarter, and also above the 2.3 percent growth of a year ago. The stronger GDP growth in the fourth quarter primarily reflected rising private inventory investment and personal consumption expenditures, partly offset by declines in federal, state, and local expenditures. The Conference Board's Index of Leading Economic Indicators rose by 0.4 percent in January, to 94.9, after increasing 0.5 percent in December and 0.3 percent in November. The Consumer Confidence Index fell 3.7 points, to 61.1 in January. These measures suggest that economic growth is expected to remain moderate.

The annualized pace of new-home starts in December 2011 was up 1.5 percent from November, to 699,000 units, and up 9.9 percent from the year-ago rate of 636,000 units. Homebuilding activity within the region during fourth quarter 2011 was up 31 percent from a year earlier. Colorado, Montana, North Dakota, Wyoming, and Utah all reported increases from a year ago in the number of residential building permits, with growth ranging from 21 percent in North Dakota to 41 percent in Utah. In the fourth quarter of 2011, apartment vacancy rates in the Colorado Springs and Denver-Boulder areas rose to 6.4 and 5.4 percent, respectively, but declined in Salt Lake City to 4.8 percent. Existing home sales in December 2011 in the Salt Lake City and Denver metro areas were down 4.3 and 0.2 percent, respectively, from a year ago.

Based on data from LPS Applied Analytics, the rates of distressed mortgages for both the region and the U.S. increased slightly in December 2011, compared with a month earlier, but rates were down from a year ago. The decrease of 0.5 percentage points for the Rocky Mountain region was smaller than the national decline of 0.7 percentage points. U.S. consumer prices were up 3.6 percent from a year ago. Excluding the volatile food and energy sectors, the core inflation index rose 2.5 percent from a year ago. The average 30-year fixed mortgage rate remains low, at 3.92 percent, a decline of 0.84 percentage points from a year ago. In January, the Federal Reserve Open Market Committee (FOMC) signaled its intention to keep the federal funds rate at exceptionally low levels through at least late 2014, which is longer than had been indicated in previous FOMC statements. This reflected the committee's expectations of continued sub-par economic growth.

ROCKY MOUNTAIN ECONOMIC INDICATORS

Indicator	Data as of	Most Recent Month/Qtr	Previous Month/Qtr	Year Ago	Change		Source
					Last Mo/Qtr	Year Ago	
Nonfarm Employment (seasonally adjusted):							
Colorado	Dec-11	2,244.8	2,249.2	2,221.2	-0.2%	1.1%	BLS
Montana	Dec-11	432.3	432.3	428.3	0.0%	0.9%	BLS
North Dakota	Dec-11	404.3	400.5	382.4	0.9%	5.7%	BLS
South Dakota	Dec-11	411.5	406.9	404.8	1.1%	1.7%	BLS
Utah	Dec-11	1,221.4	1,215.0	1,185.4	0.5%	3.0%	BLS
Wyoming	Dec-11	290.7	290.6	284.3	0.0%	2.3%	BLS
Rocky Mountain Region	Dec-11	5,005.0	4,994.5	4,906.4	0.2%	2.0%	BLS
United States	Jan-12	132,409	132,166	130,456	0.2%	1.5%	BLS
Unemployment Rate (seasonally adjusted):							
Colorado	Dec-11	7.9	8.0	8.9	-0.1	-1.0	BLS
Montana	Dec-11	6.8	7.1	7.4	-0.3	-0.6	BLS
North Dakota	Dec-11	3.3	3.4	3.8	-0.1	-0.5	BLS
South Dakota	Dec-11	4.2	4.3	4.7	-0.1	-0.5	BLS
Utah	Dec-11	6.0	6.4	7.5	-0.4	-1.5	BLS
Wyoming	Dec-11	5.8	5.8	6.4	0	-0.6	BLS
Rocky Mountain Region	Dec-11	5.7	5.8	6.5	-0.2	-0.8	BLS
United States	Jan-12	8.3	8.5	9.4	-0.2	-1.1	BLS
GDP Growth Rate (%) - United States	4th Qtr 2011	2.8	1.8	2.3	1	0.5	BEA
U.S. Housing Starts (Annual Rate, SA)	Jan-12	699,000	689,000	636,000	1.5%	9.9%	Census Bureau
Residential Building Permits:							
Colorado	4th Qtr 2011	3,145	4,000	2,349	-21.4%	33.9%	Census Bureau
Montana	4th Qtr 2011	526	412	392	27.7%	34.2%	Census Bureau
North Dakota	4th Qtr 2011	997	1,450	823	-31.2%	21.1%	Census Bureau
South Dakota	4th Qtr 2011	391	837	424	-53.3%	-7.8%	Census Bureau
Utah	4th Qtr 2011	2,533	2,555	1,793	-0.9%	41.3%	Census Bureau
Wyoming	4th Qtr 2011	557	562	419	-0.9%	32.9%	Census Bureau
Rocky Mountain Region	4th Qtr 2011	8,149	9,816	6,200	-17.0%	31.4%	Census Bureau
Apartment Vacancy Rates:							
Colorado Springs Metro	4th Qtr 2011	6.4	5.2	6.8	1.2	-0.4	Apartment Insights
Denver / Boulder area	4th Qtr 2011	5.4	4.9	5.4	0.5	0.0	Apartment Insights
Salt Lake City Metro	4th Qtr 2011	4.8	5.2	6.5	-0.4	-1.7	Reis, Inc.
United States	4th Qtr 2011	9.0	9.3	8.9	-0.3	0.1	Census Bureau
Existing Single-Family Home Sales: Denver-Aurora MSA							
Number of Sales	Dec-11	3,756	3,503	3,765	7.2%	-0.2%	Hanley Wood LLC
Average Price	Dec-11	\$246,675	\$247,587	\$235,874	-0.4%	4.6%	Hanley Wood LLC
Existing Single-Family Home Sales: Salt Lake City MSA							
Number of Sales	Dec-11	1,587	1,694	1,659	-6.3%	-4.3%	Hanley Wood LLC
Average Price	Dec-11	\$229,837	\$231,285	\$235,089	-0.6%	-2.2%	Hanley Wood LLC
Existing Single-Family Home Sales: United States							
Annual Rate of Sales (SA)	Jan-12	4,570,000	4,380,000	4,540,000	4.3%	0.7%	NAR
Average Price	Jan-12	\$154,700	\$162,200	\$157,800	-4.6%	-2.0%	NAR
Mortgages 90+ days delinquent, foreclosed, or REO:							
Rocky Mountain Region	Dec-11	3.4%	3.3%	3.9%	0.1%	-0.5%	LPS Applied Analytics
United States	Dec-11	7.6%	7.5%	8.3%	0.1%	-0.7%	LPS Applied Analytics
Consumer Price Index - All Items:							
Denver-Boulder CMSA	nd Half 2011	221.5	219.1	213.9	1.1%	3.6%	BLS
United States (SA)	Jan-12	227.5	227.0	221.0	0.2%	2.9%	BLS
Avg. 30-Year Mortgage Interest Rate:	Jan-12	3.92	3.96	4.76	-0.04	-0.84	Freddie Mac